

IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH
HYDERABAD

C.A.No.1/14/HDB/2017

U/s 14(1) of the Companies Act, 2013

In the matter of

Diamond Avenues Limited
D.No.41-3-43, Biyamkotla Bazar,
Besides Chitrakota Ashramam, Krishna Lanka,
Vijayawada – 520 013.
Andhra Pradesh

... Applicant

Versus

The Registrar of Companies, Hyderabad
For Andhra Pradesh and Telangana,
2nd Floor, Corporate Bhawan,
Bandlaguda, Nagole, Hyderabad – 500 068.

.... Respondent

Orders Pronounced on: **08.01.2018**

CORAM:

Hon'ble Mr. Rajeswara Rao Vittanala, Member (Judicial)

Hon'ble Mr. Ravikumar Duraisamy, Member (Technical)

Parties Present:

For the Applicant: Mrs. N. Madhavi, Practicing Company Secretary

Per: Ravikumar Duraisamy, Member (Technical)

ORDER

1. The Company Application bearing CA.No.1/14/HDB/2017 is filed by Diamond Avenues Limited (hereinafter referred to as 'the Petitioner Company') under Section 14(1) of the Companies Act, 2013 by inter-alia seeking the following reliefs:-

- a) Approval of conversion of Company from Public to Private under the provisions of Section 14(1)(b) of the Companies



Act, 2013 by giving an order in terms of Section 14(2) of the Companies Act, 2013.

b) Directing the Registrar of Companies, Andhra Pradesh & Telangana to change the name of the Company from Public to Private, etc.

2. The above Company Application came up for hearing before this Tribunal on 30.01.2017; 02.02.2017, 23.02.2017, 23.11.2017 and finally on 05.12.2017.

3. Brief facts of case as submitted by the Applicant Company are as under:-

a) The Applicant Company was initially incorporated as a Public Limited Company on 12.03.2012 under the Companies Act, 1956 in the name of Vasavi Realty Limited. Subsequently, the name of the Company was changed to 'Diamond Avenues Limited' on 08.09.2014 with Corporate Identity Number (CIN) U70102AP2012PLC079668. The Authorized Share Capital of the Company as on 31.03.2015 is Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each and its issued, subscribed and paid-up-capital is also Rs.1,00,00,000/- divided into 10,00,000 equity shares of Rs.10/- each.

b) The main objects of the Company as per its Memorandum of Association, in brief are to undertake construction activities and to develop real estate properties including promotion of houses, group houses, row houses, apartments, residential flats, Multi Storied Commercial/Residential Complexes and other complexes, hotels, tourist resorts, colonies, factories, and such other works like developing, promoting, carrying on



infrastructures works, civil engineering constructions, infrastructure projects, etc.

c) The Board of Directors of the Applicant Company with the approval of Members at their 4th Annual General Meeting held on 28.09.2016 considered that since there is no much involvement of public in the management of the Company, it would be appropriate to convert the company into the Private Limited to avoid unnecessary formalities and to obtain privileges which are available to the Private Limited Companies under Section 14 of the Companies Act, 2013 which would help the management to carry out its affairs more effectively and efficiently subject to approval of the Hon'ble Tribunal.

d) The Applicant Company has published an advertisement in accordance with NCLT Rules, 2016 with regard to conversion of Public Limited Company to Private Limited Company one in English in "The Hans India" on 09.02.2017 and one in vernacular language i.e. Telugu in "Andhra Jyothi" on 09.02.2017.

e) The Applicant Company by an affidavit dated 22.02.2017 informed that the Petitioner Company and the Counsel for the Petitioner have not received any objections from any person for conversion of petitioner Company from Public Limited Company to Private Limited Company.

4. The Registrar of Companies, vide his letter No.ROCH/LEGAL/SEC14/079668/DAL/STA(CK)/2017/5129; dated 23.01.2017 while affirming the averments of Applicant Company in the Application has further submitted that the



Company has filed E-form GNL-2 for submission of documents with ROC vide SRN No.G28930881 regarding notice of Application filed under Section 14 of the Companies Act, 2013 for conversion of public company into private company.

5. During the hearing held on 27.11.2017, the Bench directed the Applicant Company to submit the latest affidavit consequent to the newspaper publications wherein date of hearing mentioned in the newspaper publication, list of shareholders, creditors and consent for the same and posted the matter on 05.12.2017. The Applicant Company vide its Affidavit dated 03.12.2017, submitted that the Company/learned Counsel have not received any comment(s)/Objection(s) for conversion of the Company from Public to Private. It is further submitted that there are 38 shareholders as on 28.11.2017. It is also submitted that there are no creditors in the Applicant Company as on 28.11.2017.



6. Heard, Mrs. N. Madhavi, Practicing Company Secretary for the Applicant Company, Affidavits dated 22.02.2017 and 03.12.2017 filed by the Applicant Company and carefully perused the material papers placed on record, and also the Report of the Registrar of Companies, Hyderabad furnished vide his letter dated 23.01.2017.
7. We are of the considered view that the Applicant Company has fulfilled all the conditions as prescribed under Section 14(1) of the Companies Act, 2013 read with Rule 11 and 68 of the NCLT Rules, 2016. Hence, prayer of the Applicant Company deserved to be allowed in the interest of justice and good governance.

8. In the result, the Company Application No.1/14/DHB/2017 is allowed with the following directions:-

- a) Approved the conversion of Petitioner Company into a Private Limited Company and that the name of the Company be changed from "Diamond Avenues Limited" to "Diamond Avenues Private Limited".
- b) Directed to amend the Articles of Association of the Company in accordance with the Special Resolution passed at Annual General Meeting held on 28.09.2016.
- c) Directed the Petitioner Company to comply with requirements of all the provisions of Section 14 of the Companies Act, 2013 and if any default in complying with the same, the Company and every officer who is in default shall be liable to a penalty as per Section 15 of the Companies Act, 2013.

9. No order as to costs.

Sd/-

RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)

Sd/-

RAJESWARA RAO VITTANALA
MEMBER (JUDICIAL)

for 
Dy. Regr./Asst. Regr./Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY

केस संख्या
CASE NUMBER CAN/25/2017/DCA/22/2017
निर्णय का तारीख
DATE OF JUDGEMENT 22.12.2017
प्रति तैयार किया गया तारीख
COPY MADE READY ON 2.1.2018